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# Trade and Investment Opportunities into India: A South Australian Perspective

Strengthening trade and business relationships between India and South Australia by  
exploring investment opportunities in South Australia

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# *An Introduction to Trade with India*

- India has experienced enormous growth throughout recent years, which creates tremendous prospects for investment in the region.
- South Australia is keen to engage with India, especially in areas where South Australia can contribute the greatest growth.
- South Australia supports some of the world's leading companies in sectors such as minerals and energy, defence and aerospace, education, food and wine, tourism, urban development and communications technology.
- As expressed by the premier and Minister for investment, South Australia is 'open for business'. The state is keen for investment from around the world, including India, and we are actively seeking opportunities for growth.
- We encourage all of you to investigate South Australia for your future business investments that will utilise our natural and economic strengths.



# *Bilateral Trade – South Australia-India*

The most Recent figures from the Australian Bureau of Statistics show that in the twelve months to April 2015:

- South Australian merchandise exports to India were nearly \$774 million, up 9% on the previous year.
- India now accounts for nearly 7% of the states exports, which is just under the states total export to the EU, consisting of 28 countries.
- India is now the fourth largest export market for South Australia, after China, the USA, and the EU.
- Between 2008-09 and 2013-14 the states value of exports to India has increased on average by 23 percent annually.

The states exports to India consist mainly of:

- Mineral commodities: copper ores (\$500 million), refined lead (\$100 million), scrap iron (\$27 million), aluminium waste (\$5 million) and coal (\$4 million).
- Agricultural commodities: dried lentils (\$28 million) and dried peas (\$16 million).

South Australia's imports from India (valued at \$101 million) include:

- jewellery and precious metals (\$22 million), Automobiles (\$10 million), textiles (\$10 million) and car parts (\$4 million)

## *Bilateral Trade –South Australia-India (cont.)*

Three main points can be made about South Australia's trade with India:

- Firstly, Trade is complementary. South Australia provides mineral and agricultural commodities as well as high value services such as education. India provides manufactured goods such as vehicles and textiles, which require high labour to produce. The resource endowments of both parties create a logical trade pattern between South Australia and India.
- Secondly, South Australia is heavily reliant on commodities for its export earnings.
- Thirdly, this reliance forces South Australia to accept world prices, and the state therefore has no control over price as it is a price taker.

The heavy exposure on commodities and the dependence on world prices for export revenue has created a necessity for South Australia to develop trade with India. The South Australian government must create an investment strategy and diversify our export base.



# *Key Sectors for Future trade*

The South Australian Government has targeted numerous key sectors for future trade and investment growth, these include:

## Water:

- The South Australian water sectors world-class water-related research products, services and skills can contribute to India.
- South Australia can assist in Improving water access and security for business and communities in a rapidly expanding economy.
- Water research institutions, can support in the rehabilitation of the Ganges, which plays a significant role in supporting agriculture.

## Urban Development:

- South Australia's best practice in Urban development and transport and land management can contribute to India's '100 Smart Cities' agenda.



# *Key Sectors for Future trade (cont.)*

## Mining and Resources:

- There is a considerable interest in mining and resource assets in South Australia.
- This is an area of importance, identified by both the South Australian Governments ten economic priorities and the *South Australia-India Engagement Strategy*.

## Tourism:

- India is one of the fastest growing outbound travel markets.
- The United Nations World Tourism Organisation predicts 50 million outbound travellers by 2020.
- India is a key growth market for tourism in South Australia and is among the top ten sources of Australian arrivals.
- The number of Indian visitors to south Australia has increased from 3,600 in 2008 to almost 10,000 in 2013.
- Market growth is anticipated to reach more than 18,000 visitors by 2020.



# *Education and Training*

- Education and training presents many potential partnerships between South Australia and India.
- South Australia has a highly regarded education system that includes world-ranking universities (University of Adelaide, University of South Australia and Flinders University), which are currently collaborating on research projects with leading Indian universities.
- South Australia also has high class vocational education training providers and institutions, such as TAFE SA, which contribute life long skill development.

India is south Australia's second largest source of international students. More than 2,300 students are currently enrolled in the state and will return to India to support sectors such as:

- Mining and energy.
- Hospitality and Tourism.
- Retail.
- Health and aged care.
- Sustainable or 'green' building and construction.



# Education and Training (cont.)

- South Australia can offer Indian students and employers a range of training products which are specific to local markets. This training is delivered by skilled and qualified trainers using innovative methods.
- The Government of South Australia is currently developing a strategy that will support South Australian training organisations to create customised programs for the Indian market.
- The strategy will create positive outcomes for both parties in, productivity development, increased export earnings and regional development.
- Currently in India there is a concept in order to create new jobs and improve skills, called 'Make in India'. South Australia has an opportunity to identify useful research and training procedures through the *Manufacturing Works* strategy.



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# *South Australia-India Engagement Strategy*

The Government of South Australia, which places huge value on the relationship with India has been targeting opportunities in areas aligned to the needs of India. These include:

- Higher vocational education.
- Defence and aerospace.
- Renewable energy.
- Water and waste management.
- Minerals and energy resources.

These areas are envisioned to increase exports beyond the significant growth in the past decade.

- South Australia looks to India and the major opportunities it offers for supporting mutual growth.
- Adelaide's economy is dynamic and supports the headquarters of many foreign companies Australian operations.



# *South Australia-India Engagement Strategy*

- Business comes to Adelaide because South Australia has the right balance of commodities and services.
- This balance ensures that the benefits of the expansion of India into the 21<sup>st</sup> century are maximised.
- South Australia is located at the centre of Australia's road, rail and air logistics network.
- This centrality provides time and cost advantages of air and sea freight transport to key markets, such as India.
- In Adelaide and South Australia, people and business Thrive.



# Conclusion

- Forums such as these provide the opportunity for South Australia and India to enhance the collaboration and create lasting partnerships between our regions.
- Such relationships can be strong and mutually beneficial. The government of South Australia will continue to work with India to build upon opportunities and alliances to support long-term partnerships.
- Many of us have had the opportunity to see first-hand how our relationship has grown as we visit India and welcome visitors, business people and students from India to South Australia.
- We are all committed to working in partnership with India.

Thank you